

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS
ADMINISTRATIVE APPEALS TRIBUNAL

Question No. 79

Senator Ludwig asked the following question at the hearing on 31 October 2006:

New Computer System:

- (a) What is the total cost?
- (b) What amount was budgeted?
- (c) Is the roll-out and implementation progressing on time?
- (d) Does the software and management of the contract comply with AGIMO guidelines?

The answer to the honourable senator's question is as follows:

The new computer system project is divided into a number of discrete items which will be dealt with separately.

1. CMS Software.

- a) The software for the case management system has been supplied by SBC Pty Ltd. They were selected after an open tender process that complied with relevant AGIMO and DOFA guidelines. There were some 11 responses to the tender. Seven companies were short listed to provide a presentation. This was further reduced to three for a full demonstration and assessment against the selection criteria. Reference sites were then inspected to view the preferred system in operation. SBC were selected as they met all the requirements of the specification and provided the best value for money for the Commonwealth. The contract with SBC has a fixed price of \$530,400 including GST. The Tribunal has signed an agreement for the maintenance of the software system. The cost in the first year is \$91,296.
- b) An estimate of \$550,000 was included in the original budget. No variations to the contract have been approved to date. It is not anticipated any variations will be required.
- c) The Tribunal's current case management system (CMS) will cease operations on 30th June 2007. This is the date when the current contract with an external provider will expire. The Tribunal has worked towards a change to a new CMS to ensure that we have an operational system in place by that date. The project plan was put together after the award of the contract. It was discovered that additional time would be needed to properly develop the customisation of the software to the Tribunal's needs. This created a delay of approximately four months over what had been anticipated at the beginning of the project.

The Sydney registry of the Tribunal will change to the new system on Monday 11th December 2006. A progressive roll-out in other registries will follow. This is anticipated to be complete by 23rd March 2007. There are no indications this roll-out is under any threat of not occurring as planned. This plan allows a three month period for an orderly and complete shut down of the old system by 30th June. Time between the implementation in registries has been allowed to cater for any unanticipated events.

d) The tender met with the procurement guidelines set out by AGIMO.

2. Other Associated Costs

a) A number of associated costs have been incurred as part of the overall project. A decision was taken prior to the roll-out of the CMS to totally replace the Tribunal stock of personal computers. The existing stock was aged and becoming increasingly unreliable. They were due for replacement in any event, however the need for greater memory and larger screen size drove the requirement to replace the hardware prior to the roll-out of the new CMS.

The replacement was achieved by open tender process in accordance with Commonwealth purchasing guidelines at a cost of \$469,291. The successful bidder was Data 3. A further \$20,000 was expended in the development and installation of a new standard operating environment. The roll-out of the new hardware was completed in accordance with the project plan. The new hardware has been welcomed by members and staff of the Tribunal.

It has been necessary to purchase three new servers to accommodate the new system. An amount of \$55,000 was budgeted for this part of the upgrade. The cost has been \$50,000. The servers are now installed and operating as planned. The supply and installation of the servers was carried out by Leading Solutions Pty Ltd after a select tender. There are Microsoft operating licences associated with the servers. These costs will not be finally determined until 30th June 2007 when an audit and assessment of licence fees takes place. These are estimated at up to \$20,000 pa.

The cost of advice and legal representation by AGS in the contract negotiations with SBC was \$25,000. The contract was signed after advice from AGS that it met all relevant government requirements.

The only unanticipated cost has been the requirement to purchase three new routers. It has been determined that the existing routers, whilst adequate, would be at maximum capacity once the new system commenced operations. It was determined to take the opportunity to replace them now, rather than in 2007 as part of the overall system upgrade. This decision was taken when it was determined they would be inadequate when the Tribunal moves to upgrade its financial and HR systems in the latter half of 2007. The cost of the new routers has been \$54,000.

b) N/A.

c) N/A.

d) N/A.

3. Internal Staff Costs

a) The Tribunal has expended \$160,000 on non-ongoing staffing costs associated with the CMS implementation. For example, a temporary manager position has been created and there are various staff secondments and travel costs associated with the detailed design, review and testing of the new CMS.

b) N/A

c) N/A

d) N/A

4. Savings

There will be savings of \$100,000-120,000 pa realised from the discontinuation of the current CMS with the current provider.